



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

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Third District

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Fourth District

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Fifth District

June 9, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF A PRIMARY HEALTH CARE SERVICES
SUBCONTRACT WITH HEALTH RESEARCH ASSOCIATION, INC.**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign a primary health care services subcontract with the Health Research Association, Inc. to provide for the identification, selection, and participation, of LAC+USC Healthcare Network patients in the primary health care and case management program known as the Camino de Salud project with Community Outreach for Prevention and Education (COPE), effective on the date executed by the parties through March 31, 2008, at no net County cost. Funding in the amount of \$758,508 is provided under the primary grant agreement with UniHealth Foundation.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving the recommended actions, the Board is allowing the Department of Health Services (DHS or Department) to participate in the Camino de Salud project aimed at improving patient care access, improving patient care outcomes, and reducing the frequency of emergency room visits and admissions at LAC+USC. This will be accomplished through effective case management and timely access to primary care services in the community, as funded through a primary grant agreement with UniHealth. LAC+USC wishes to support this project by cooperating in efforts to identify and enroll eligible County responsible patients in the program where patients will be assigned to non-profit community clinics in their neighborhoods for case management and primary care. LAC+USC will continue to provide specialty and diagnostic support services as needed for those services not available in the community clinics.

FISCAL IMPACT/FINANCING:

The grant amount from UniHealth to Health Research Association, Inc. (HRA) is \$758,508 for the provision of medically related and other patient care services in the relevant service area, which is located in Service Planning Area (SPA) 4. The subcontract between HRA and LAC+USC is cost neutral. Although LAC+USC will be providing specialty clinic and diagnostic services access to the community clinics who will be managing the patients, these are services that LAC+USC would have been responsible to provide regardless of the existence of a subcontract, since the population that will be enrolled in the project are County responsible.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

LAC+USC has been working with the HRA to identify ways of reducing frequent emergency room visits and admission of patients served at LAC+USC. Community based clinics were interested in providing timely access to primary care and case management services in an effort to reduce frequent utilization of costly medical services at LAC+USC. HRA, working with COPE and LAC+USC, applied for a grant from UniHealth to fund this project. Recently, UniHealth notified HRA that they have been awarded a primary grant, effective April 1, 2005 through March 31, 2008, in the amount of \$758,508.

The Department is requesting to enter into a subcontract for purposes of participating in the project as described above with HRA and COPE. Patients enrolled in the project for year one will be patients who are not eligible for, or do not have, third party coverage and have had three emergency room visits or two hospital admissions in the last 12 months. The Department anticipates that project participation will improve patient care and outcomes, and reduce the number of emergency room visits and admissions at LAC+USC.

Under the subcontract, LAC+USC will provide some in-kind services to the HRA such as access to the Affinity patient information system (only for patients enrolled in the Camino de Salud project), maintaining responsibility for all specialty care and diagnostics (outside of basic primary care), and rehabilitation services for Camino de Salud patients.

The amendment (Exhibit I) has been approved as to form by County Counsel.

Attachment A provides additional information.

CONTRACTING PROCESS:

It is not appropriate to advertise subcontracts on the Los Angeles (L.A.) County Online Web Site as a contract/business opportunity.

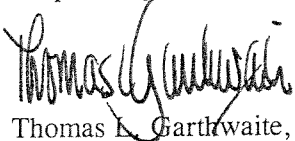
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IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended actions will provide an opportunity to LAC+USC patients to have their cases managed and to receive services at a community based clinic near their home, and may lead to potential decreases in inappropriate use of emergency room services at LAC+USC.

When approved, the Department of Health Services requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:gi

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

BLTCDHRA.GI.wpd

SUMMARY OF AGREEMENT

1. TYPE OF SERVICES:

A program directed toward reducing the frequency of emergency room visits and hospitalization at LAC+USC. Patients enrolled in the project for year one will be patients who are not eligible for, or do not have, third party coverage and who have had three emergency room visits or two hospital admissions in the last 12 months.

2. AGENCY INFORMATION:

Health Research Association, Inc.
1640 Marengo Street, 7th Floor
Los Angeles, California 90033
Attention: Kathleen R. Hurtado, R.Ph., President and Chief Executive Officer
Telephone: (323) 223-4091; Facsimile/FAX Number: (323) 342-0947
Electronic Mail (e-mail) Address: khurtado@health-resserarch.org

3. TERM OF AGREEMENT(S):

Effective on the date of execution by the parties through March 31, 2008.

4. FINANCIAL INFORMATION:

The grant amount from UniHealth to Health Research Association, Inc. (HRA) is \$758,508 for the provision of medically related and other patient care services in the relevant service area, located in Service Planning Area (SPA) 4. The subcontract between HRA and LAC+USC is cost neutral. Although LAC+USC will be providing specialty clinic and diagnostic services access to the community clinics who will be managing the patients, these are services that LAC+USC would have been responsible to provide regardless of the existence of a subcontract, since the population that will be enrolled are County responsible.

5. GEOGRAPHIC AREA TO BE SERVED:

LAC+USC Healthcare Network catchment area.

6. DESIGNATED ACCOUNTABLE FOR PROJECT MONITORING:

Pete Delgado, Chief Executive Officer (CEO), LAC+USC Healthcare Network

7. APPROVALS:

LAC+USC Healthcare Network: Pete Delgado, CEO

Contract and Grants Division: Cara O'Neill, Chief

County Counsel (approval as to form): Elizabeth J. Friedman, Senior Deputy County Counsel

EXHIBIT I

SUBCONTRACT AGREEMENT BETWEEN HEALTH RESEARCH ASSOCIATION, INC. AND THE COUNTY OF LOS ANGELES

RECITALS

WHEREAS, HEALTH RESEARCH ASSOCIATION, INC. ("HRA"), a subsidiary of the University of Southern California, provides clinical trial support services to facilitate budget and contract negotiations, financial management as well as other activities; and

WHEREAS, THE COUNTY OF LOS ANGELES ("COUNTY") has established and operates through its Department of Health Services a network of County hospitals and other health facilities including The LAC+USC HEALTHCARE NETWORK; and

WHEREAS, HRA has entered into a Primary Grant Agreement with the UNIHEALTH FOUNDATION to commence a Camino de Salud project with The Community Outreach for Prevention & Education ("COPE") to coordinate primary healthcare at community clinics; and

WHEREAS, COUNTY wishes to support this project by cooperating in efforts to identify and enroll eligible patients to non-profit community clinics in their neighborhood; and

WHEREAS, this Agreement between HRA and COUNTY is a subcontract to the Primary Grant Agreement between HRA and UNIHEALTH FOUNDATION, and subject to all the terms, conditions and provisions of that Primary Grant Agreement, attached hereto as Exhibit "A".

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, HRA and COUNTY agree as follows:

TERMS AND CONDITIONS

1. THE PARTIES.

The parties to this Agreement ("Agreement") are HEALTH RESEARCH ASSOCIATION, INC. ("HRA") and THE COUNTY OF LOS ANGELES ("COUNTY").

2. TERM AND TERMINATION.

The Agreement shall become effective upon execution by both parties and stay in effect through March 31, 2008 unless earlier terminated. Either party may terminate the Agreement for convenience by giving thirty (30) calendar days written notice to the other party.

3. COMPLIANCE WITH GRANT AGREEMENT.

Both HRA and the COUNTY acknowledge and agree that this agreement is a subcontract to the main agreement between HRA and the UNIHEALTH FOUNDATION, attached hereto as EXHIBIT A, and that all parties will adhere to the relevant and applicable provisions set forth in the Primary HRA and UNIHEALTH Grant Agreement. All relevant and applicable provisions of the HRA/UNIHEALTH Primary Grant Agreement are incorporated fully herein by reference.

4. **COUNTY RESPONSIBILITIES.**

In furtherance of the goals of the Primary Grant Agreement between HRA and UNIHEALTH FOUNDATION, COUNTY agrees that the LAC+USC Healthcare Network shall provide HRA with access to patients and patient data; shall cooperate in the coordination of primary care at the community clinics with specialty care at LAC+USC Healthcare Network and shall actively participate in the Camino de Salud project for the purpose of meeting the Primary Grant Agreement objectives and deliverables. This will include:

LAC+USC Health Care Network shall provide Camino de Salud project staff, who will be employees of COPE (a sub-contractor of HRA), with a daily report of all inpatients, emergency department patients and/or outpatients who are eligible for the Camino de Salud program.

LAC+USC Health Care Network shall provide access for Camino de Salud project staff to interview and enroll potential Camino de Salud patients on inpatient wards, in the emergency department and throughout the LAC+USC Health Care Network outpatient areas.

LAC+USC Health Care Network staff shall utilize all of the approved Camino de Salud forms and shall follow all established Camino de Salud follow-up and reporting procedures whenever dealing with Camino de Salud patients in any inpatient, emergency department or outpatient area.

LAC+USC Health Care Network shall assure that patients enrolled in Camino de Salud are not provided with any other primary care appointment except the appointment made at the assigned Camino de Salud non-profit community partner clinic.

LAC+USC Health Care Network shall assure that appropriate physician, nursing, case management, clerical and other professionals/staff, as necessary, coordinate with Camino de Salud staff to assure a smooth flow of the patient through primary care and specialty care appointments, diagnostic procedures and other services required by Camino de Salud patients.

LAC+USC Health Care Network shall provide access for appropriate staff of HRA's project subcontractors COPE and the Los Angeles Mission Clinic to the Affinity Patient Information System, only for patients that have been enrolled in Camino de Salud and coded within Affinity as Camino de Salud patients, via VPN connections and at computer terminals within the LAC+USC Healthcare Network.

LAC+USC Health Care Network shall facilitate close coordination of primary care for Camino de Salud patients at the clinics with specialty care and diagnostic testing at the LAC+USC Healthcare Network. This will include sharing of patient information, including timely faxing of consultation notes and diagnostic results from the LAC+USC Health Care Network to HRA's subcontracted partners for the Camino de Salud Project, COPE & the Los Angeles Mission Clinic as applicable.

LAC+USC Health Care Network shall maintain responsibility for all specialty care and diagnostics, outside of basic primary care, as well as for rehabilitation and home health services for Camino de Salud patients.

LAC+USC Health Care Network shall collect and provide data to HRA in order to identify financial savings/cost avoidance and long-term financial benefits resultant from the Camino de Salud project.

LAC+USC Health Care Network shall provide representatives to attend quarterly Camino de Salud CEO/IT meetings, monthly primary care/specialty physician meetings, monthly care coordination/patient flow meetings and other meetings as reasonably needed.

5. **INDEMNIFICATION.**

HRA shall indemnify, defend, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with HRA's acts and/or omissions arising from and/or relating to this Agreement.

The COUNTY shall indemnify, defend, and hold harmless HRA and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs,

and expenses (including attorney and expert witness fees), arising from or connected with the COUNTY's acts and/or omissions arising from and/or relating to this Agreement

HRA and the COUNTY will each maintain adequate applicable insurance coverage regarding this provision.

6. **DUTY TO COMPLY.**

HRA shall fully cooperate with COUNTY's requests for any records or documents necessary to comply with COUNTY or HRA's obligations under this Agreement.

7. **SUBCONTRACTING.**

HRA shall ensure that any of its Camino de Salud Project subcontractors, including but not limited to COPE and the Los Angeles Mission Clinic comply with all HIPAA Privacy regulations.

8. **CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY**

ACT OF 1996: Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to, or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification

requirements of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information (“the Privacy Regulations”) and the Health Insurance Reform: Security Standards (“the Security Regulations”) at 45 Code of Federal Regulations Parts 160 and 164 (“together, the “Privacy and Security Regulations”).

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place.

Therefore, the parties agree as follows:

DEFINITIONS

- 1.1 “Disclose” or “Disclosure” means, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate’s internal operations or to other than its employees.
- 1.2 “Electronic Media” has the same meaning as the term “electronic media” in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media

including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

- 1.3 “Electronic Protected Health Information” has the same meaning as the term “electronic protected health information” in 45 C.F.R. § 160.103.

Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

- 1.4 “Individual” means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

- 1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information, whether oral or recorded in any form or medium, that (i) relates to the past, present, or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. “Protected Health Information” includes Electronic Health Information.
- 1.6 “Required By Law” means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of

information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

- 1.7 “Security Incident” means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.
- 1.8 “Services” has the same meaning as in the body of this Agreement.
- 1.9 “Use” or “Uses” means, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate’s internal operations.
- 1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
 - (i) Use Protected Health Information; and
 - (ii) Disclose Protected Health Information if the Disclosure is Required by Law. Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Business Associate:

- (a) shall implement and maintain appropriate safeguards to prevent the

Security Incident to the Chief Privacy Officer at: Chief Privacy Officer;
County of Los Angeles; Kenneth Hahn Hall of Administration; 500 West
Temple Street, Suite 525; Los Angeles, California 90012.

2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.

2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity

available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

- 2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a “designated record set” as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

- 2.8 Accounting of Disclosures Business Associate agrees to maintain documentation of the information required to provide an accounting of Disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528, and to make this information available to Covered Entity upon Covered Entity's request, in order to allow Covered Entity to respond to an Individual's request for accounting of disclosures. However, Business Associate is not required to provide an accounting of Disclosures that are necessary to perform its Services if such Disclosures are for either payment

or health care operations purposes, or both. Additionally, such accounting is limited to disclosures that were made in the six (6) years prior to the request (not including disclosures that were made prior to the compliance date of the Privacy Rule, April 14, 2003) and shall be provided for as long as Business Associate maintains the Protected Health Information.

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

OBLIGATION OF COVERED ENTITY

- 3.1 Obligation of Covered Entity. Covered Entity shall notify Business

Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

TERM AND TERMINATION

- 4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.
- 4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
- (a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

- (b) Immediately terminate this Agreement if Business Associate has breached a material term of this Paragraph and cure is not possible; or
- (c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

- (a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
- (b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make it infeasible. If return or destruction is

infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

MISCELLANEOUS

- 5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Paragraph.
- 5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this

Paragraph shall be construed under, and in accordance with, the terms of this Agreement.

5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.

5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.

5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.

AGREED AND UNDERSTOOD:

HEALTH RESEARCH ASSOCIATION

COUNTY OF LOS ANGELES

By: Kathleen R. Hurtado R.Ph.
Kathleen R. Hurtado, R.Ph.
President and Chief Executive Officer
Health Research Association, Inc.

By: _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer
Department of Health Services